

DECISION MEMORANDUM

TO: COMMISSIONER ANDERSON
COMMISSIONER CHATBURN
COMMISSIONER HAMMOND
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: CLAIRE SHARP
DEPUTY ATTORNEY GENERAL

DATE: SEPTEMBER 20, 2022

SUBJECT: IN THE MATTER OF CAPITOL WATER CORPORATION'S
APPLICATION TO CHANGE ITS SCHEDULE NO. 3 PURCHASED
POWER COST ADJUSTMENT RATE; CASE NO. CAP-W-22-01.

On September 6, 2022, Capitol Water Corporation (“Company”) applied for authority to change its Schedule No. 3 - Purchased Power Cost Adjustment (“Schedule No. 3”) rate to recover the electricity costs that exceed what it collected in rates. The Company requests that the Application be processed by Modified Procedure and that the tariff changes become effective November 15, 2022.

BACKGROUND

The Company’s current base rates were established in Commission Order No. 30762 issued in 2008. Since that time, the Company has applied to adjust the Schedule No. 3 annually, the most recent was Order No. 35224, effective on November 15, 2021. *Id.* In Order No. 35224, the Commission estimated \$75,483.41 for the Company’s total 2021 yearly cost of electric power using a three-year average of 1,454,401 kilowatt-hour (“kWh”) electricity consumption at an average cost of 5.19 cents per kWh. *Id.*

THE APPLICATION

According to the Company, actual costs for calendar year 2021 exceeded the estimated costs by \$17,729. Based on its calculations, the Company now seeks to increase the Schedule No. 3 Purchased Power Cost Adjustment from 0.89% to 2.72%. *Id.*

The Company attached its current approved Schedule No. 3 with the proposed change to the Purchased Power Cost Adjustment. *Id.* at 2; Exhibit No. 2. The Company also included a

new Schedule No. 3 with the proposed power cost adjustment rate, a work sheet showing the detailed electric power bills the Company used to develop its power cost adjustment, and its customer notice to be mailed on October 1, 2022, and a news release for the Idaho Statesman and the Idaho Business Review. Exhibits No. 3-4.

STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure establishing an October 19, 2022, comment deadline, and an October 26, 2022, Company reply comment deadline.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure with an October 19, 2022, comment deadline, and an October 26, 2022, Company reply comment deadline?



Claire Sharp
Deputy Attorney General

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